

Message Text

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PAGE 01 GEORGE 00006 031921Z

44

ACTION ARA-20

INFO OCT-01 ISO-00 INT-08 GSA-02 CIAE-00 DODE-00 PM-07

H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01

SPC-03 SS-20 USIA-15 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

DRC-01 EUR-25 /196 W

----- 011060

R 031945Z JAN 74

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC 9199

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY KINGSTON

AMEMBASSY PORT OF SPAIN

LIMITED OFFICIAL USE GEORGETOWN 0006

E.O. 11652: N/A

TAGS: EMIN EIND PFOR GY

SUBJECT: BAUXITE: GUYANA GOVERNMENT PAYS ALCAN

1. UNDER TERMS OF CONSENSUAL AGREEMENT ON COMPENSATION TO BE PAID ALCAN FOR NATIONALIZATION OF ITS GUYANESE SUBSIDIARY, DEMBA, FIRST ACTUAL PAYMENT FELL DUE DEC 31, 1973. ON THIS DATE GOG PAID ALCAN 2.4 MILLION DOLLARS US, THUS MEETING IN FULL ITS OBLIGATIONS TO DATE.

2. GOG, AS SOLE STOCKHOLDER, RECEIVED INTERIM 1973 DIVIDEND PAYMENT FROM GUYBAU (FORMERLY DEMBA) OF ONLY 2.5 MILLION G DOLLARS (ABOUT 1.25 MILLION US) IN CONTRACT TO PREVIOUS YEAR'S DIVIDEND OF 4 MILLION G DOLLARS. GUYBAU CHAIRMAN IN ANNOUNCING DIVIDEND FRANKLY DESCRIBED GUYBAU'S 1973 PERFORMANCE AS DISAPPOINTING. ADDED THAT 1974 WOULD BE DIFFICULT YEAR TOO DUE TO UNCERTAIN ECONOMIC OUTLOOK OF WESTERN WORLD AND VERY SUBSTANTIAL INCREASES IN COSTS ON

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INTERNATIONAL MARKETS, ESPECIALLY FOR FUEL.

3. COMMENT. THERE HAD BEEN SOME CONCERN THAT GOG, FACED AS IT HAS BEEN WITH SERIOUS FINANCIAL PROBLEMS, MIGHT NOT MAKE PAYMENT DUE AT END 1973. AT SAME TIME, DISCUSSIONS WITH RESPONSIBLE OFFICIALS INDICATED THEY WERE SENSITIVE TO IMPLICATIONS OF A POSSIBLE DEFAULT, ESPECIALLY IN CONNECTION WITH PROSPECTS FOR PRIVATE INVESTMENT. CANADIAN HIGH COMMISSIONER ASSURED THREE WEEKS AGO PAYMENT WOULD BE MADE, BUT SOME DOUBT PERSISTED TO END. THAT PAYMENT MADE AS SCHEDULED EVEN THOUGH DIVIDEND FOR YEAR DID NOT COVER IT MAY PROVE RELEVANT TO NEGOTIATIONS WITH REYNOLDS WHICH HAVE BEEN INITIATED. KING

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Message Attributes

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Disposition Event:
Disposition History: n/a
Disposition Reason:
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30 JUN 2005

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